



21 November 2003

Chairman Bill Thomas  
House of Representatives  
Ways and Means Committee  
1102 Longworth House Office Building  
Washington, DC 20515

Dear Mr. Chairman,

I write on behalf of the Information Technology Association of America (ITAA), representing over 400 companies in the information technology (IT) industry -- the enablers of the information economy. Our members, located throughout the United States range from the smallest IT start-ups to industry leaders in the custom software, services, systems integration, hardware, telecommunications, Internet, and computer consulting fields.

We commend you for your tireless work on HR 2896, the American Jobs Creation Act of 2003, to provide a tax rate reduction for domestic production activity to promote U.S. jobs and competitiveness, as well as to reform the international tax provisions of U.S. tax law. Your legislation addresses some fundamental inequities facing U.S. taxpayers that undermine the competitiveness of U.S. companies.

While we have concerns about some specific provisions, we believe this legislation must move forward. The United States must meet its obligation to comply with the WTO to avoid new duties on U.S. exports. Retaliation by the EU will do more than just hurt specific U.S. exports, but will also send a signal that the global trading system is less than stable, which may cause other undesired economic effects. By contrast, enactment of your legislation will help alleviate the tax increase imposed on US businesses when ETI is repealed, and it will have a positive impact on the domestic economy.

As you know, economic studies have demonstrated the important role that U.S. multinational corporations play in building our economy and creating and preserving American jobs. By providing a rate reduction for domestic production activity and international reforms, your bill will help level the international playing field, enhance the ability of U.S. companies to compete in global markets, and strengthen our domestic economy.

We look forward to working with you as the legislation progresses to address outstanding IT industry concerns. Meanwhile, we strongly urge all members of the House of Representatives to support this critical piece of legislation.

Please feel free to contact me to discuss these matters at (703) 284-5340; [hmliller@itaa.org](mailto:hmliller@itaa.org), or Bartlett Cleland of my staff at (703) 284-5310; [bcleland@itaa.org](mailto:bcleland@itaa.org).

Sincerely,

Harris N. Miller  
President

**Information Technology Association of America**

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